

AMENDED IN ASSEMBLY JUNE 17, 2014

AMENDED IN SENATE MAY 7, 2014

**SENATE BILL**

**No. 1298**

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**Introduced by Senator Hernandez**  
*(Coauthor: Assembly Member Chau)*

February 21, 2014

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An act to amend Section 149.7 of, and to repeal and add Section 149.9 of, of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1298, as amended, Hernandez. High-occupancy toll lanes.

~~(1) Existing law authorizes a regional transportation agency, in cooperation with the Department of Transportation, to apply to the California Transportation Commission to develop and operate high-occupancy toll (HOT) lanes, including administration and operation of a value-pricing program and exclusive or preferential lane facilities for public transit.~~

~~Existing law requires the commission to conduct at least one public hearing in northern California and one in southern California for each application and limits the number of approved facilities to not more than 4, 2 in northern California and 2 in southern California. Existing law provides that no applications may be approved on or after January 1, 2012.~~

~~This bill would remove the limitations on the number of HOT lanes and would delete the January 1, 2012, deadline for HOT lane applications. The bill would provide that each application is subject to the review and approval of the commission, and would require that resources necessary in that regard be included in the Governor's proposed annual budget.~~

~~(2) Existing~~

*Existing law, until January 15, 2015, specifically authorizes a value-pricing and transit development demonstration program involving HOT high-occupancy toll (HOT) lanes to be conducted, administered, developed, and operated on State Highway Routes 10 and 110 in the County of Los Angeles by the Los Angeles County Metropolitan Transportation Authority (LACMTA) under certain conditions.*

*This bill would enact new provisions revising and recasting these provisions and would repeal the existing provisions, thereby extending the program indefinitely. The bill would specify additional requirements for agreements between LACMTA, the Department of Transportation, and the Department of the California Highway Patrol that identify the respective obligations and liabilities of each party relating to the program. The bill would require LACMTA, with the assistance of the department, to establish appropriate traffic flow guidelines for the purpose of ensuring the optimal use of the HOT lanes by high-occupancy vehicles. program and clear and concise procedures for law enforcement.*

*The bill would delete the requirement that LACMTA may not change the vehicle occupancy requirement for access to the high-occupancy vehicle lanes in the identified corridors and would authorize LACMTA to define the hours of operation of the HOT lanes. corridors. The bill would include, within the reimbursable costs require reimbursement of state agencies from toll revenues, revenue of the cost incurred in the implementation of the program and the maintenance of state highway facilities in connection with the demonstration program. program and authorize remaining revenue to be used for improvements to the transportation corridor from which the revenue was generated.*

*The bill would require LACMTA and the Department of Transportation to report to the Legislature by January 31, 2015, on various aspects and effects of the demonstration program. The bill would also authorize LACMTA to issue bonds pursuant to the Los Angeles County Transportation Commission Revenue Bond Act at any time to finance any costs necessary to implement the program and to finance any expenditures payable from the revenues generated from the program.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 ~~SECTION 1. Section 149.7 of the Streets and Highways Code is~~  
2 ~~amended to read:~~

3 ~~149.7. (a) A regional transportation agency, as defined in~~  
4 ~~Section 143, in cooperation with the department, may apply to the~~  
5 ~~commission to develop and operate high-occupancy toll lanes,~~  
6 ~~including the administration and operation of a value pricing~~  
7 ~~program and exclusive or preferential lane facilities for public~~  
8 ~~transit, consistent with the established standards, requirements,~~  
9 ~~and limitations that apply to those facilities in Sections 149, 149.1,~~  
10 ~~149.3, 149.4, 149.5, and 149.6.~~

11 ~~(b) Each application for the development and operation of the~~  
12 ~~facilities described in subdivision (a) shall be subject to review~~  
13 ~~and approval by the commission pursuant to eligibility criteria~~  
14 ~~established by the commission. For each eligible application, the~~  
15 ~~commission shall conduct at least one public hearing in northern~~  
16 ~~California and one in southern California.~~

17 ~~(c) The Governor shall include in each proposed annual budget~~  
18 ~~the resources necessary for the commission to fulfill the~~  
19 ~~requirements of this section.~~

20 ~~(d) A regional transportation agency that develops or operates~~  
21 ~~a facility, or facilities, described in subdivision (a) shall provide~~  
22 ~~any information or data requested by the commission or the~~  
23 ~~Legislative Analyst. The commission, in cooperation with the~~  
24 ~~Legislative Analyst, shall annually prepare a report on the progress~~  
25 ~~of the development and operation of a facility authorized under~~  
26 ~~this section. The commission may submit this report as a section~~  
27 ~~in its annual report to the Legislature required pursuant to Section~~  
28 ~~14535 of the Government Code.~~

29 ~~SEC. 2.~~

30 ~~SECTION 1. Section 149.9 of the Streets and Highways Code~~  
31 ~~is repealed.~~

32 ~~SEC. 3.~~

33 ~~SEC. 2. Section 149.9 is added to the Streets and Highways~~  
34 ~~Code, to read:~~

35 ~~149.9. (a) Notwithstanding Sections 149 and 30800 of this~~  
36 ~~code, and Section 21655.5 of the Vehicle Code, the Los Angeles~~  
37 ~~County Metropolitan Transportation Authority (LACMTA), may~~  
38 ~~conduct, administer, and operate a value-pricing and transit~~  
39 ~~development-demonstration program involving high-occupancy~~  
40 ~~toll (HOT) lanes on State Highway Routes 10 and 110 in the~~

1 County of Los Angeles. LACMTA may direct and authorize the  
2 entry and use of the State Highway Route 10 and 110  
3 high-occupancy vehicle lanes by single-occupant vehicles ~~during~~  
4 ~~peak periods, and those vehicles that do not meet minimum~~  
5 *occupancy requirements*, as defined by LACMTA, for a fee. The  
6 amount of the fee shall be established by, and collected in a manner  
7 to be determined by, LACMTA. *LACMTA may continue to require*  
8 *high-occupancy vehicles to have an electronic transponder or*  
9 *other electronic device for enforcement purposes.*

10 (b) ~~The~~LACMTA shall implement the program in cooperation  
11 with the department, and with the active participation of the  
12 Department of the California Highway Patrol, pursuant to an  
13 agreement that addresses all matters related to design, construction,  
14 maintenance, and operation of state highway system facilities in  
15 connection with the program. ~~With the assistance~~ *consent* of the  
16 department, LACMTA shall establish appropriate performance  
17 measures, such as speed or travel times, for the purpose of ensuring  
18 optimal use of the HOT lanes by high-occupancy vehicles without  
19 adversely affecting other traffic on the state highway system.

20 (1) Agreements between LACMTA, the department, and the  
21 Department of the California Highway Patrol shall identify the  
22 respective obligations and liabilities of each party to the agreement  
23 and assign them responsibilities relating to the program. *The*  
24 *agreements entered into pursuant to this section shall be consistent*  
25 *with agreements between the department and the United States*  
26 *Department of Transportation relating to programs of this nature.*  
27 The agreements entered into pursuant to this section shall include  
28 clear and concise procedures for enforcement by the Department  
29 of the California Highway Patrol of laws prohibiting the  
30 unauthorized use of the HOT lanes. The agreements shall provide  
31 for reimbursement of state agencies, from revenues generated by  
32 the program, ~~federal funds specifically allocated to LACMTA for~~  
33 ~~the program by the federal government, program~~ or other funding  
34 sources that are not otherwise available to state agencies for  
35 transportation-related projects, for costs incurred in connection  
36 with the implementation or operation of the program, as well as  
37 maintenance of state highway system facilities in connection with  
38 the program. ~~Reimbursement for LACMTA's program-related~~  
39 ~~planning and administrative costs in the operation of the program~~  
40 ~~shall not exceed 3 percent of the revenues.~~

(2) All remaining revenue generated by the program shall be used in the corridor from which the revenue was generated exclusively for preconstruction, construction, and other related costs of high-occupancy vehicle facilities, *transportation corridor improvements*, and the improvement of transit service in the corridor, including, but not limited to, support for transit operations pursuant to an expenditure plan adopted by ~~the~~ LACMTA. *LACMTA's administrative expenses related to the operation of the program shall not exceed 3 percent of the revenues.*

(c) Single-occupant vehicles *and those vehicles that do not meet minimum occupancy requirements* that are certified or authorized by LACMTA for entry into, and use of, the State Highway Routes 10 and 110 high-occupancy vehicle lanes are exempt from Section 21655.5 of the Vehicle Code, and the driver shall not be in violation of the Vehicle Code because of that entry and use.

(d) In implementing the program, ~~the~~ LACMTA shall ~~identify~~ *continue to work with* the affected communities in the respective corridors and ~~work with those communities to identify impacts and develop mitigation measures. The LACMTA shall assess the impacts of the program on commuters of low income and shall provide mitigation to those impacted commuters. Mitigation measures may include, but are not limited to, provide mitigation measures for commuters of low income, including~~ reduced toll charges and toll credits for transit users. Eligible commuters for reduced toll charges or toll credits for transit users shall meet the eligibility requirements for assistance programs under Chapter 2 (commencing with Section 11200) or Chapter 3 (commencing with Section 12000) of Part 3 of, Part 5 (commencing with Section 17000) of, or Chapter 10 (commencing with Section 18900), Chapter 10.1 (commencing with Section 18930), or Chapter 10.3 (commencing with Section 18937) of Part 6 of, Division 9 of the Welfare and Institutions Code.

(e) ~~The~~ LACMTA and the department shall report to the Legislature by January 31, 2015. The report shall include, but not be limited to, a summary of the ~~demonstration~~ program, a survey of its users, the impact on carpoolers, revenues generated, how transit service or alternative modes of transportation were impacted, any potential effect on traffic congestion in the ~~HOV lane~~ *high-occupancy vehicle lanes* and in the neighboring lanes, the number of toll-paying vehicles that utilized the HOT lanes, any

1 potential reductions in the greenhouse gas emissions that are  
2 attributable to congestion reduction resulting from the HOT lane  
3 ~~demonstration~~ program, *any comments submitted by the*  
4 *Department of the California Highway Patrol regarding operation*  
5 *of the lanes*, and a description of the mitigation measures on the  
6 affected communities and commuters ~~in this demonstration the~~  
7 program. The report shall be submitted in compliance with Section  
8 9795 of the Government Code. This subdivision shall become  
9 inoperative on January 31, 2019, pursuant to Section 10231.5 of  
10 the Government Code.

11 (f) Toll paying commuters shall have the option to purchase  
12 any necessary toll paying equipment, prepay tolls, and renew toll  
13 payments by cash or by using a credit card.

14 (g) This section shall not prevent the department or any local  
15 agency from constructing facilities that compete with a HOT lane  
16 ~~demonstration project, and the program~~, and LACMTA shall not  
17 be entitled to compensation for adverse effects on toll revenue due  
18 to those facilities.

19 (h) *LACMTA may issue bonds, as set forth in Chapter 5*  
20 *(commencing with Section 130500) of Division 12 of the Public*  
21 *Utilities Code, at any time to finance any costs necessary to*  
22 *implement a value-pricing and transit development program*  
23 *established in accordance this section and to finance any*  
24 *expenditures payable from the revenues generated from the*  
25 *program.*